

THE CONVENIENCE SHOP (HOLDING) PLC

INTERIM REPORT

SIX MONTHS ENDED 30 JUNE 2022

Company Registration Number: C 87554



**onvenience
Shop**

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Interim Directors' Report

This half-yearly report is being published in terms of the Prospects MTF Rules and the Prevention of Financial Markets Abuse Act, (Chapter 476 of the Laws of Malta). The condensed set of financial statements included in this report has been extracted from The Convenience Shop (Holding) plc's unaudited financial information for the period commencing 1 January 2022 to 30 June 2022 prepared in accordance with International Financial Reporting Standards adopted for use in the EU for interim financial statements (International Accounting Standard 34, 'Interim Financial Reporting').

The Directors who served during the period and up till the date of this report are as follows:

Benjamin Muscat

Ivan Calleja

Kevin Deguara

Joseph Pace

Manuel Piscopo

Charles Scerri

The Directors present the unaudited consolidated interim results of The Convenience Shop (Holding) plc. The Directors state that these interim condensed financial statements have not been audited or reviewed by an independent auditor.



1. Business Overview

The Convenience Shop Group (the "Group") is composed of The Convenience Shop (Holding) plc. ("the Company" or "the Parent Company"), and of the following entities as detailed below:

1. The Convenience Shop Limited (C 87556)
2. Daily Retail Challenges Ltd. (C79662)
3. Aynic & Co. Ltd. (C74750)
4. Seafront Express Ltd. (C73435)
5. Gbake Manufacturing Limited (C60422)
6. Gbake Retail Limited (C60421)
7. The Convenience Shop (Management) Limited (C87711)
8. The Convenience Shop for Puttinu Cares Limited (C90748)

These condensed interim financial statements cover the period between 1 January 2022 and 30 June 2022.

The distinct strategies of our 'Owned' businesses - meaning those where we maintain full control over their operations and profits and 'Franchise' businesses - meaning those operating independently under the franchise terms and using the Company's brand name; have been successful in driving profit growth and creating shareholder value, underpinned by our disciplined approach to cash generation and capital allocation.

2. Financial Performance

The Group has recorded a profit before tax of €906k, nearly doubling from June 2021.

Revenue amounted to €19.4m, representing a 20% growth over the same 6-month period in 2021, whilst gross profit as a percentage of revenue increased from 11.4% to 13.1% over the same comparative period.

Operating profit for the period ended 30 June 2022 amounted to €1.2m or 6% of turnover, being an improvement of 2.1 percentage points over the operating profit for the period ended 30 June 2021.

Earnings per share attributable to shareholders in the first half of the year improved from €3.46 in 2021 to €7.17 this year.

During this reporting period, the Group announced that it has partnered with Coop Italian Food for the exclusive selling in Malta of products under the Coop brand. Coop Italian Food is the international branch of Coop Italy, which operates the largest chain of supermarkets in Italy, and has been created to export Italian food worldwide.

The Group firmly believes that this partnership will benefit the Group and will allow it to offer its customers access to a wider range of more affordable quality products.

3. Financial Position

Total assets as at 30 June 2022 amounted to €34.6m.

During the first six months of the year, the Group continued to meet all obligations to its suppliers and other stakeholders, including loan repayments and other commitments, whilst still improving its liquidity and gearing position.

4. Business Outlook

The Group remains focused on serving its customers and investing in its people and systems to not only enhance the shopper experience in all outlets but also to introduce more efficient processes and procedures for all employees.

The partnership with COOP Italian Food further enhances the Group's mission in continuing to meet the needs of its consumers by ensuring that the Group is able to offer high-quality products at more affordable prices in convenient locations.

By the end of the reporting period, the Group reached the 80 outlet mark following the opening of 4 new outlets by August 2022. By the end of the year, the Group will continue to further expand its franchise network.

5. Dividends

The Directors are proposing a net interim dividend of €300k, an increase of 71% over the interim dividend proposed in August 2021.

6. Going Concern

Upon due consideration of the Company's profitability and statement of financial position, the Directors confirm the Company's ability to continue operating as a going concern for the foreseeable future.

The Directors' report was approved by the Board of Directors on 29 August 2022 and signed on its behalf by:



Benjamin Muscat
Chairman



Kevin Deguara
Director

Registered Office

Marant Food Products,
Mdina Road, Zebbug ZBG 9017
Malta



Condensed Consolidated Income Statement

Six months ended 30 June 2022

	GROUP		COMPANY	
	Period ended 30 June 2022 (unaudited) €'000	Period ended 30 June 2021 (unaudited) €'000	Period ended 30 June 2022 (unaudited) €'000	Period ended 30 June 2021 (unaudited) €'000
Continuing Operations:				
Revenue	19,439	16,212	722	98
Cost of Sales	(16,890)	(14,367)	(28)	-
Gross Profit	2,549	1,845	694	98
Administrative Expenses	(1,391)	(1,216)	(50)	(32)
Operating Profit	1,158	629	644	66
Finance Income	-	-	159	159
Finance Costs	(482)	(402)	(186)	(125)
Other Income	230	233	-	-
Profit before tax	906	460	617	100
Tax Expense	(404)	(218)	(242)	(34)
Profit for the period	502	242	375	66
Earnings per share (Euro)	€ 7.17	€ 3.46		

Condensed Consolidated Statement of Financial Position

As at 30 June 2022

	GROUP		COMPANY	
	30 Jun 2022 (unaudited) €'000	31 Dec 2021 (audited) €'000	30 Jun 2022 (unaudited) €'000	31 Dec 2021 (audited) €'000
ASSETS				
Non-current Assets	26,382	26,764	9,105	8,970
Current Assets	8,270	7,755	3,151	3,231
Total Assets	34,652	34,519	12,256	12,201
EQUITY AND LIABILITIES				
Capital and reserves attributable to owners of the company	3,304	3,127	2,639	2,589
Non-current Liabilities	20,153	20,080	9,033	9,089
Current Liabilities	11,195	11,312	584	523
Total Liabilities	31,348	31,392	9,617	9,612
Total Equity and Liabilities	34,652	34,519	12,256	12,201

Condensed Consolidated Statement of Changes in Equity

Six months ended 30 June 2022

GROUP	Share Capital €'000	Share Premium €'000	Retained Earnings €'000	Total €'000
Period ended 30 June 2022				
Balance at 1 January 2022	70	2,188	869	3,127
Comprehensive Income for the period				
Profit for the period ended 30 June 2022	-	-	502	502
Transactions with owners of the Company				
Dividends	-	-	(325)	(325)
Balance at 30 June 2022	70	2,188	1,046	3,304

COMPANY	Share Capital €'000	Share Premium €'000	Retained Earnings €'000	Total €'000
Period ended 30 June 2022				
Balance at 1 January 2022	70	2,188	331	2,589
Comprehensive Income for the period				
Profit for the period ended 30 June 2022	-	-	375	375
Transactions with owners of the Company				
Dividends	-	-	(325)	(325)
Balance at 30 June 2022	70	2,188	381	2,639

Condensed Consolidated Statement of Changes in Equity

Six months ended 30 June 2022

GROUP	Share Capital €'000	Share Premium €'000	Retained Earnings €'000	Total €'000
Period ended 30 June 2021				
Balance at 1 January 2021	70	2,188	321	2,579
Comprehensive Income for the period				
Profit for the period ended 30 June 2021	-	-	242	242
Transactions with owners of the Company				
Dividends	-	-	(124)	(124)
Balance at 30 June 2021	70	2,188	439	2,697

COMPANY	Share Capital €'000	Share Premium €'000	Retained Earnings €'000	Total €'000
Period ended 30 June 2021				
Balance at 1 January 2021	70	2,188	73	2,331
Comprehensive Income for the period				
Profit for the period ended 30 June 2021	-	-	66	66
Transactions with owners of the Company				
Dividends	-	-	(124)	(124)
Balance at 30 June 2021	70	2,188	15	2,273

Condensed Consolidated Statement of Cash Flows

Six months ended 30 June 2022

	GROUP		COMPANY	
	Period ended 30 June 2022 (unaudited) €'000	Period ended 30 June 2021 (unaudited) €'000	Period ended 30 June 2022 (unaudited) €'000	Period ended 30 June 2021 (unaudited) €'000
Net cash generated from operating activities	2,400	1,312	167	410
Net cash used in investing activities	(325)	(464)	-	-
Net cash used in financing activities	(1,237)	(1,166)	(368)	(394)
Net movement in cash and cash equivalents	838	(318)	(201)	16
Cash and cash equivalents at beginning of the period	1,366	1,065	279	106
Cash and cash equivalents at end of period	2,204	747	78	122

Notes to the Condensed Interim Consolidated Financial Statements

1. The financial information being published has been extracted from The Convenience Shop (Holding) plc's unaudited interim financial statements for the six months ended 30 June 2022, prepared in accordance with accounting standards adopted for use in the European Union for reported interim financial information (IAS 34 - Interim Financial Reporting). These Condensed Interim Financial Statements are being published in terms of the Prospects MTF Rules. In terms of Rule 4.11.12, this interim report has not been audited by the Group's independent auditors
2. The accounting policies used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2021. The interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2021.
3. The interim financial statements are prepared on a going concern basis, as the Directors are satisfied that the Group has the resources to continue in business for the foreseeable future. In making this assessment, the Directors have considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources.
4. Earnings per share of €7.17 is based on the profit after tax attributable to the ordinary shareholders of The Convenience Shop (Holding) p.l.c. divided by the weighted average number of ordinary shares in issue during the period and ranking for dividend. Ordinary shares in issue during the period amounted to 70,000 shares.

Directors' Confirmations

We confirm to the best of our knowledge that:

- The Condensed Consolidated Interim Financial information gives a true and fair view of the Financial Position of the Group as at 30 June 2022 and of its financial performance and its cash flows for the six month period then ended, in accordance with International Financial Reporting Standards as adopted by the EU applicable to Interim Financial Reporting (International Accounting Standards 34, 'Interim Financial Reporting');
- The Interim Directors' Report includes a fair review of the information required in terms of the Prospects MTF Rules.



Benjamin Muscat
Chairman



Kevin Deguara
Director

THE CONVENIENCE SHOP (HOLDING) PLC

INTERIM REPORT

SIX MONTHS ENDED 30 JUNE 2022

REGISTERED OFFICE

MARANT FOOD PRODUCTS,
MDINA ROAD,
ZEBBUG ZBG 9017,
MALTA

THE CONVENIENCE SHOP (HOLDING) PLC

Company Registration Number: C 87554